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To: County and District Chief Business Officials  
Charter School Administrators

From: Janet Sterling, Director  
School Fiscal Services Division

Subject: Lottery Revenue Projections

The following lottery revenue projections are offered for your information as you prepare year-end statements and update your budgets.

#### 1999-2000

The Lottery Commission recently increased its projection of lottery sales for 1999-2000 from \$2.5 billion to \$2.6 billion, which would provide education lottery recipients with approximately \$940 million for the year. With enactment of Proposition 20 in March 2000, fifty percent of the growth in education lottery revenues over the 1997-98 base year is allocated to K-14 local educational agencies (LEAs) and can only be used for the purchase of instructional materials. The State Controller's Office has not yet finalized the Proposition 20 base year amount or the methodology to calculate the Proposition 20 payments. However, based on the Lottery Commission projections, we are estimating that the Proposition 20 apportionment for the 1999-2000 fiscal year could be in the range of \$6 to \$7 per ADA and the regular apportionment in the range of \$117 to \$118 per ADA for the 1999-2000 fiscal year.

The third quarter lottery apportionment was distributed by the State Controller's Office on June 29, 2000. The total amount apportioned for the year through the third quarter is \$95.76 per ADA for the regular lottery apportionment. We are recommending that LEAs accrue fourth quarter revenues at \$21.24 per ADA for the regular lottery apportionment and \$6 per ADA for the Proposition 20 apportionment.

#### 2000-2001

For the 2000-2001 fiscal year, the Lottery Commission is projecting lottery sales of \$2.85 billion, which would provide education lottery recipients with approximately \$1.025 billion for that year, an increase of \$85 million over the last fiscal year. If achieved, this level of sales would provide about \$121 per ADA for the regular lottery apportionment

County and District Chief Business Officials  
Charter School Administrators  
July 6, 2000  
Page 2

and about \$12 per ADA for Proposition 20. Because the Lottery Commission's projections include their revenue estimates for the new SuperLotto Plus game, which just began in June 2000, LEAs may wish to conservatively budget lottery revenues at the prior year levels of \$117 per ADA for the regular lottery apportionment and \$6 per ADA for the Proposition 20 apportionment until the Lottery's first quarter sales results are available.

We will continue to monitor lottery projections and will advise you of any changes. If you have any questions or if we can be of further assistance, please contact Janet Finley at (916) 323-5091 or by e-mail ([jfinley@cde.ca.gov](mailto:jfinley@cde.ca.gov)) or Scott Hannan at (916) 327-0538 or by e-mail ([shannan@cde.ca.gov](mailto:shannan@cde.ca.gov)).